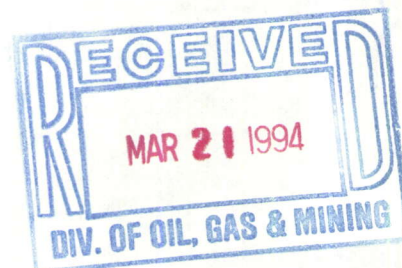




GENERAL REFRACTORIES COMPANY

M/045/027

MARCH 16, 1994



MR. TRAVIS JONES
STATE OF UTAH
DEPT. OF NATURAL RESOURCES
DIV. OF OIL, GAS & MINING
355 W. TEMPLE, 3 TRIAD CENTER, SUITE 350
SALT LAKE CITY, UT 84180-1203

DEAR MR. JONES:

REFERENCING YOUR LETTER OF FEBRUARY 21, 1991 AND CONVERSATION WITH TRAVIS JONES ON 3/15/94, WE REPLY AS FOLLOWS.

ON PAGE 2, SECOND PARAGRAPH, OPERATIONS PLAN; WE FEEL THAT IT IS CLEAR ON MAP AS TO BORDERS AND TOTAL PROPERTY WE WILL PERMIT. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT GLENN JONES. — not our job!

ON PAGE 2, PARAGRAPHS 3 & 4, WE HAVE REMOVED THE DRAINAGE POND AS REQUESTED AND WE WILL WITHIN THE NEXT TWO TO THREE MONTHS INSTALL A 3rd CULVERT FOR A 25 YEAR RUN-OFF EVENT.

3 foot (?) ON PAGE 3, RECLAMATION PRACTICES; GENERAL REFRACTORIES WILL AMEND THE SEED MIX TO THE RECOMMENDATION IN YOUR LETTER AND ALSO WILL AGREE TO THE RECOMMENDATION IN PARAGRAPH 2 TO 4,000 LBS. (2 TONS) OF ALFALFA MULCH.

THERE IS NOT ANY TOPSOIL THAT CAN BE RECOVERED IN THE ACTUAL MINING AREA. WE INTEND TO COVER MINED AREA WITH 1-1/2 DOWN ROCK AND FINES WE WILL STOCKPILE FROM CRUSHING OPERATIONS.

THE TOPSOIL THAT IS STOCKPILED WILL BE USED TO COVER AREA WHERE WE NOW ARE STOCKPILING THE CRUSHED STONE.

WE WILL USE AN IRREVOCABLE LETTER OF CREDIT WHEN THE DETERMINATION HAS BEEN MADE TO THE TOTAL AMOUNT REQUIRED.

THIS SHOULD ADDRESS AND ANSWER ALL QUESTIONS SO WE CAN MOVE FORWARD.

SINCERELY YOURS,

Lloyd W. Weir, gas

LLOYD W. WEIR
WESTERN MINE SUPERINTENDENT